1,920,023.

8 Total.

**\$**,

(A)

t sheet

7

65-0773649

GRACE JAPAN KK Page 3 Form 5471 (Rev. 5-2001) Income, War Profits, and Excess Profits Taxes Pald or Accrued (See instructions.) Schedule E Amount of tax (d) In U.S. doltars (b) (c) (a)
Name of country or U.S. possession Conversion rate In foreign currency U.S. 240,990,900. 1,920,023 0.0079672 2 JAPAN 3 4 5 6 7

#### Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1	3,279,187.	5,386,270.
2a	Trade notes and accounts receivable	2a	4,506,865.	3,104,257.
	Less allowance for bad debts	2b	( -978,883.)	( -756,782.
3	Inventories	3	2,475,708.	1,156,821.
4	Other current assets (attach schedule)see .statement. 3	4	635,877.	543,178.
5	Loans to stockholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule)	7	2,259,851.	2,188,139.
•	Buildings and other depreciable assets	8a	35,847,707.	31,298,624.
	Less accumulated depreciation	8b	( 22,393,831.)	( 19,771,935.
	Depletable assets	9a		
	Less accumulated depletion	9b	( )	(
10	Land (net of any amortization)	10	185,198.	160,674.
11	Intangible assets:			
 2	Goodwill	11a		
b		11b		***
c		11c	13,140.	11,400.
	Less accumulated amortization for lines 11a, b, and c	11d	( 11,096.)	( 10,767.
12	Other assets (attach schedule)see .STATEMENT. 5	12	0.	0.
13	Total assets	13	27,777,489.	24,823,443.
	Liabilities and Stockholders' Equity			
14	Accounts payable	14	3,180,563.	2,812,278.
15	Other current liabilities (attach schedule)	15	8,174,511.	5,780,839.
16	Loans from stockholders and other related persons	16	-3,591,870.	-3,800,215.
17	Other liabilities (attach schedule)	17	805,842.	-640,823.
18	Capital stock;		1	
а	Preferred stock	18a		
b		18b	2,978,400.	2,584,000.
19	Paid-in or capital surplus (attach reconciliation)	19		0.
20	Retained earnings	20	16,230,043.	18,087,364.
21	Less cost of treasury stock	21	( )	(
22	Total liabilities and stockholders' equity	22	27,777,489.	24,823,443.

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000768 09/03 GRACE JAPAN KK 65-0773649

	n 5471 (Rev. 5-2001) GRACE JAPAN KK 65-0773649			Page 4			
Sc	hedule G Other Information						
_						Yes	No
1	During the tax year, did the foreign corporation own at least a 10% in						_
	partnership?		• • • • • • • • • • • • • • • • • • • •				2
_	If "Yes," see the instructions for required attachment.						
2	During the tax year, did the foreign corporation own an interest in an						
3	During the tax year, did the foreign corporation own any foreign entiti						
	from their owners under Regulations sections 301.7701-2 and 301.77						3
	If "Yes," attach a statement listing the name, country under whose law	vs the entity was orga	anized, and EIN (if any)			_	_
	of each entity.						
	hedule H Current Earnings and Profits (See the inst						-
-	ortant: Enter the amounts on lines 1 through 5c in functional currency.		T				
1	Current year net income or (loss) per foreign books of account	• • • • • • • • • • • • • • • • • • • •		1	527,17	1,79	<u> 11.</u>
_	_						
2	Net adjustments made to line 1 to determine current	NIA	31				
	earnings and profits according to U.S. financial and tax	Net Additions	Net Subtractions				
	accounting standards (see instructions):	Additions	Oub u acuoits				
ุล	Capital gains or losses						
b	Depreciation and amortization						
C	Depletion						
d	Investment or incentive allowance						
e	Charges to statutory reserves						
f	Inventory adjustments			1			
g	Taxes		171,910,806.				
h	Other (attach schedule)	0.	0.				
3	Total net additions	0.					
4	Total net subtractions		171,910,806.				
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	355,260	), 98	35.
þ	DASTM gain or (loss) for foreign corporations that use DASTM (see in	structions)	******	5b			
	Combine lines 5a and 5b			5c	355,260	), 98	5.
d	Current earnings and profits in U.S. dollars (line 5c translated at the a	ppropriate exchange	rate as defined in				
	section 989(b) and the related regulations) (see instructions)		* * * * * * * * * * * * * * * * * * * *	5d	2,920	, 24	١5.
	Enter exchange rate used for line 5d ▶		0.008220				
<u>Se</u>	nedule I Summary of Shareholder's Income Fron	n Foreign Corpo	oration (See the instruc	tions.)			_
1	Subpart F income (line 40b, Worksheet A in the instructions)			1 1			
2	Earnings invested in U.S. property (line 17, Worksheet B in the instruc	tions)		2			
3	Previously excluded subpart F income withdrawn from qualified inves	tments (line 6b, Worl	sheet C in the				
	instructions)		*************	3			
1	Previously excluded export trade income withdrawn from investment i						
	in the instructions)		•	4			
5	Factoring income			5			
}	Total of lines 1 through 5. Enter here and on your income tax return. 5	See instructions		6			ο.
	, , , , , , , , , , , , , , , , , , ,						<u>~·</u>
•	Dividends received (translated at spot rate on payment date under se-	ction 989(b)(1))		7			
		•••••••••••••••••••••••••••••••••••••••		*	<del></del>		
3	Exchange gain or (loss) on a distribution of previously taxed income.			8			
	- 3- 3- 4 (1995) St. & Siveribation of proviously taxed intollies.		**************			Yes	No
W	as any income of the foreign corporation blocked?						
	d any such income become unblocked during the tax year (see section					Н	X
	answer to either question is "Yes," attach an explanation.	(-),	• • • • • • • • • • • • • • • • • • • •	• • • • •	• • • • • • •	L	≏
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SCHEDULE J (Form 5471)

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

(Rev. May 2001) Department of the Treasury Internal Revenue Service Name of person filing Form 5471

W. R. GRACE & CO. & SUBSIDIARIES

Identifying number

65-0773649

Name of foreign corporation

	nportant. Enter			(section	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			
amounts in functional currency.		section 959(c)(3) balance)	section 959(c)(3) balance)	(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	964(a) E&P (combine columns (a), (b), and (c))	
1	Balance at							
	beginning of year	2,300,800,303.	1,041,165,158.				3,341,965,461.	
		-						
2a	Current year E&P	355,260,985.						
	Current year							
	deficit in E&P							
3	Total current and							
	accumulated E&P	}						
	not previously taxed							
	(line 1 plus line 2a,							
4	minus line 2b) Amounts included	2,656,061,288.	1,041,165,158.					
•	under sec. 951(a) or reclassified under section 959(c) in current year							
5a	Actual distributions							
	or reclassifications							
	of previously taxed E&P				1			
ь	Actual distributions							
_	of nonpreviously							
	taxed E&P							
Ã <u>a</u>	Balance of							
Ç.	previously taxed							
	E&P at end of year							
	(line 1 plus line 4,				İ			
	minus line 5a)			0.	0.	0.		
D	Balance of E&P not		İ					
	previously taxed at							
	end of year (line 3 minus line 4, minus				I			
	line 5b)	2,656,061,288.	1,041,165,158.					
7	Balance at end of							
	year. (Enter amount				1			
	from line 6a / line 6b, whichever is applic.)	2,656,061,288.	1,041,165,158.	0.	٥. ا	^	2 607 226	
			Instructions for E		1 0.1	0.	3,697,226,446	

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 5-2001)

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SCHEDULE M (Form 5471)

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(Rev. May 2001) Department of the Treasury Internal Revenue Service

### **Transactions Between Controlled Foreign Corporation** and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

W. R. GRACE & CO. & SUBSIDIARIES

Identifying number 65-0773649

Name of foreign corporation

GRACE JAPAN KK

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ Japanese Yen 0.0082200

	(a) Transactions	(b) U.S. person filing this return	(C) Any domestic corporation or partnership controlled	(d) Any other foreign corporation or partnership controlled	(e) 10% or more U.S. shareholder of controlled	(f) 10% or more U.S. shareholder of any
	foreign corporation	filing this return	by U.S. person filing this return	by U.S. person filing	foreign corporation (other than the U.S. person filing this return)	corporation controlling the foreign corporation
1	Sales of stock in trade					
	(inventory)		12,075.	167,840.		
2	Sales of property rights					
	(patents, trademarks, etc.)					
3	Compensation received for technical, managerial, engineering, construction, or like services.			174,325.		
4	Commissions received					
5	Rents, royalties, and license					
	fees received					
6	Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)			80,892.		
7	Interest received			42,478.		
8	Premiums received for					
	insurance or reinsurance					
9	Add lines 1 through 8	0.	12,075.	465,535.	0.	0.
10	Purchases of stock in trade					
	(inventory)		3,033,223.	1,777,421.		
11	Purchases of tangible property	·				
	other than stock in trade					•
12	Purchases of property rights		•			·
	(patents, trademarks, etc.)					
13	Compensation paid for technical, managerial, engineering, construction, or like services.					
44						
	Commissions paid					
10	Rents, royalties, and license fees paid		819,143.			···
16	Dividends paid	}				
	Interest paid	1				
• •	microsi paid					<del></del>
18	Add lines 10 through 17	0.	3,852,366.	1.777.421	0.	0.
	Amounts borrowed (enter the	**	-,,	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		<u> </u>
	maximum loan balance during	l				
	the year) see instructions	l				
20	Amounts loaned (enter the			***		
	maximum loan balance during					
	- I			4 161 110		
	the year) see instructions	,		4,161,119.		

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

Case 01-01139-AMC Doc 3024-5 Filed 11/19/02 Page 5 of 40

000768 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE JAPAN KK

Statement 1 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Income

Description	Functional Currency	U.S. Dollars
OTHER INCOME	217,351,881	1,786,632
Total	217,351,881	1,786,632

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Statement 2 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Deductions

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Description	Functional Currency	U.S. Dollars
PROFESSIONAL, CORPORATION CHARITABLE DEDUCTIONS ADVERTISING GENERAL STATIONARY AND SU TELEPHONE COMMUNICATIONS OPERATING COSTS UTILITIES REPAIRS AND MAINTENANCE INSURANCE SERVICE CHARGES EXPENSE TRANSFERS AMORTIZATION CHARGES OTHER DEDUCTIONS	26,890,744 96,700 10,231,771 11,599,077 62,416,928 24,399,098 23,042,956 27,246,353 22,609,810 68,588,259 -15,146,840 150,000 21,703,517	221,042 795 84,105 95,344 513,067 200,561 189,413 223,965 185,853 563,795 -124,507 1,233 178,403
Total	283,828,373	2,333,069

Statement 3 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 4 --- Other Current Assets

Detail Description	Beginning	Ending
OTHER PREPAYMENTS AND OTH CURRENT DEFERRED TAXES	191,149 444,728	. 178,994 364,184
Total	635,877	543,178

Statement 4 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

•

Schedule F, line 7 -- Other Investments

Detail Description	Beginning	Ending
INVEST. IN CONSOL. SUBS MISCELLANEOUS INVESTMENTS	2,149,761 110,090	1,865,090 323,049
Total	2,259,851	2,188,139

Case 01-01139-AMC Doc 3024-5 Filed 11/19/02 Page 9 of 40

000768 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE JAPAN KK Statement 5 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 12 -- Other Assets

Detail Description	Beginning	Ending
	0	0
Total	0	0

Statement 6 65-0773649

000768 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE JAPAN KK

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 15 -- Other Current Liabilities

Detail Description	Beginning	Ending
ACCEPTANCE PAYABLE INCOME TAXES PAYABLE ACCRUED CURRENT LIABILITI OTHER CURRENT LIABILITIES INDEMNITIES, PENSIONS AND INTER CORPORATE BAL. WITH	1,006,846 1,613,705 608,154 53,386 4,148,157 744,263	821,054 850,816 507,355 65,144 3,675,090 -138,620
Total	8,174,511	5,780,839

Statement 7 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

À.

Schedule F, line 17 -- Other Liabilities

Detail Description	Beginning	Ending
NON CURRENT DEFERRED TAX	805,842	-640,823
Total	805,842	-640,823

Form <b>5471</b>	Info	rmation	Return of Certain F	T U.S. F oreian	ersons Corpor	vvitn ations		OMB No. 1	
(Rev. May 2001)		•	▶ See separate	Instructions	i.			(see When	•
` '	Information furni	shed for the fore	ian corporation's	annual accou	inting period	(tax year requ	ired by		File in the
Department of the Treasury Internal Revenue Service	section 898) (see	e instructions) be	ginning 01/0	01,2001	, and ending	<u>, 12/31,</u>	2001	instruction	s)
Name of person filing this	s return			A Iden	itifying numb	er			
W. R. GRACE					-077364 agory of filer (	: <del>9</del>	no Choo	k applicable	hov(es)).
Number, street, & room or suit 5400 BROKEN	te no. (or P.O. box no. SOUND · BLV	if mail is not deliver D. – SUI'	ed to street address TE_300_			1 📗	2	3 4 2	X 5 X
City or town, state, and 2					r the total perce				100%
BOCA RATON,				/ 2 3	wned at the end		counting p	eriod	100%
	01/01	,2001	and ending 12,	/ 31	, 20 0	<u> </u>			
D Person(s) on whose	behalf this inform	ation return is tile	ea:				(4) Ch	eck applicat	ole box(es)
(1) Nam	9		(2) Address		(3) Ideni	ifying number	Share		Director
	····			****			1	· ·	
							1		
			······································				"		
									<u></u>
important: Fili in all ap	plicable lines and rwise indicated.	schedules. All in	formation must t	e in the Engli	ish language.				
1a Name and address	of foreign corpora	tion				<b>b</b> Emplo	yer ident	ification nun	nber, if any
GRACE KORE								<del>,</del>	
70-1, KOJA		AMDONG-K	U					iose laws inco	rporated
INCHON CIT	Y, KOREA				l	KOR			
d Date of incorporatio	n 😝 Principal (	place of busn.	f Principal bus	iness activity number		business acti CHEMIC		-unctional ci	urrency
- 1- 10-5	***	D. 27	325900	IGIT IDOI	1	CHEMIC.		on	
6/7/86	,	REA		a period stat		<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>			-57
2 Provide the followin  a Name, address, and	g information for t	ne toreign corpo	o or agent	b If a U.S. in	ncome tax ret	urn was filed.	please s	how:	···
(if any) in the United		er or branch one	Je or agent	b If a U.S. income tax return was filed, please show:  (ii) U.S. income tax paid					
(if any) in the onlied NONE	a States			(i) Taxable income or (loss)			(after all credits)		
110112									
		ai i aa ab ab ab a	r conident	A Name and	d address (inc	cluding corpo	rate depa	artment, if at	oplicable) o
C Name and address		mon's statutory o	rresident	person (o	r persons) wi	th custody of	books &	records of t	he foreign
agent in country of	incorporation			corporation, and the location of such books and records, if differen					
				G. O.	CHAE				
					<del></del>				
Schedule A St Part I ALL Clas	tock of the Fo		ration		······································				
Part I ALL Cias	SES OF SIVER	· · · · · · · · · · · · · · · · · · ·			(b) Number	of shares iss	ued and	outstanding	}
(a) D	escription of each	class of stock		(i) Be	ginning of an	nual		) End of anr	
(4) 5	000111111111111111111111111111111111111			acc	ounting perio	d	ac	counting pe	
COMMON	· · · · · · · · · · · · · · · · · · ·				1,045	,788		1,045	<u>,788</u>
					<del></del>				
Part II — Addition	nal information	n for Preferr	ed Stock	al holding cor	mnanies)				
	npleted only by C							(d) Indica	te whether
(a) Descri	iption of each clas escription should r	s of Preferred Sto patch the correst	ock oonding		value in	(c) Rate of c	lividend	stock is cu	
(Note: I IIS Ge descri	escription should reption entered in Pa	art I, column (a).)		tunctiona	i currency			noncui	mulative

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W. R. GRACE & CO. & SUBSIDIARIES

GRACE KOREA INC. 65-0773649

Page 2

Schedule B U.S. Shareholde	ers of Foreign Corporation (See the instruction	s.)		
(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder (Note: This description should match the corresponding description entered in Schedule A, Part I, column (a).)	(C) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
*W.R.GRACE &COCONN	соммои	1,045,788	1,045,788	
7500 GRACE DRIVE		<u> </u>		-
COLUMBIA, MD 21044			<u> </u>	-
13-5114230		·	<del></del>	
*A WHOLLY OWNED	-	<u> </u>		1
DOMESTIC SUBSIDIARY				-
OF W.R. GRACE & CO.		<del> </del>	<del></del>	1
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			ļ	4
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		<del>-</del>	<del>                                     </del>	-{
		<u> </u>	<del> </del> -	-
			<del> </del>	

Schedule C Income Statement (See the instructions.)

important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

			Functional Currency	U.S. Dollars
10	Gross receipts or sales	1a	23,895,786,586.	18,638,714.
10	Returns and allowances	1b	566,336,877.	441,743.
	Subtract line 1b from line 1a	1c	23,329,449,709.	18,196,971.
. 2	Cost of goods sold	2	17,041,523,409.	13,292,388.
N	Gross profit (subtract line 2 from line 1c)	3	6,287,926,300.	4,904,583.
C   3	Dividends	4		
м   📜	Interest	5	125,006,961.	97,505.
E   5	Gross rents, royalties, and license fees	6		
7	Net gain or (loss) on sale of capital assets	7		
8	Other income (attach schedule)	8	-97,410,030.	-75,980.
9	Total income (add lines 3 through 8)	9	6,315,523,231.	4,926,108.
10	Compensation not deducted elsewhere	10	1,190,472,563.	928,569.
D 11	Rents, royalties, and license fees	11	723,745,616.	564,522.
E	Interest	12	5,342,293.	4,167.
D 12	Depreciation not deducted elsewhere	13	216,696,418.	169,023.
د ا ک	Depletion	14		
T 14	Taxes (exclude provision for income, war profits, and excess profits taxes)	15	2,839,710.	2,215.
0 16	Taxes (exclude provision for income, wai profits, and excess profits taxes)	<del>                                     </del>	· · · · · · · · · · · · · · · · · · ·	
N   '	Other deductions (attach schedule exclude provision for income, war profits, and	16	1,189,938,800.	928,153.
S	excess profits taxes)	17	3,329,035,400.	2,596,649.
17	Total deductions (add lines 10 through 16)	9.000		
18	Net income or (loss) before extraordinary items, prior period adjustments, and the			
1	provision for income, war profits, and excess profits taxes (subtract line 17	18	2.986,487,831.	ł .
N C O 19	from line 9)	19		
ŏ 19	Extraordinary items and prior period adjustments (see instructions)	20	928,031,059.	723,864.
M 20	Provision for income, war profits, and excess profits taxes (see instructions)	1	920,031,039.	,23,004.
_ i	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	21	2,058,456,772.	1,605,595.
21	Current year net income or (loss) per books (line 18 plus line 19 minus line 20)	1 -	2,030,430,772.	1,000,000

GRACE KOREA INC.

65-0773649

Schedule E Income, War Profits, and Exces		Amount of tax	
(a) Name of country or U.S. possession	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 KOREA	701,710,783.	0.0007683	539,124
3			
4			<u>,</u>
5			
6			
7			
8 Total,		•	539,124

Schedule F **Balance Sheet** 

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1

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

	Assets		(a)  Beginning of annual accounting period	(b) End of annual accounting period
4	Cash	1	1,519,309	2,498,500.
20	Trade notes and accounts receivable	2a	5,091,313	3,672,206.
Za h	Less allowance for bad debts	2b	(-326,639.	( -114,957.)
3	Inventories	3	1,886,998	1,344,732.
4	Other current assets (attach schedule)	4	100,370	138,928.
5	Loans to stockholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule)	7	551,762	
	Buildings and other depreciable assets	8a	1,797,740	
h	Less accumulated depreciation	8b	(899,876.	816,231.
98	Depletable assets	9a		
h	Less accumulated depletion	9b	(	) (
10~	Land (net of any amortization)	10		
11	Intangible assets:			
2	Goodwill	11a	2,639,292	. 2,502,273.
	Organization costs	11b		
C	The state of the s	11c		
d	Less accumulated amortization for lines 11a, b, and c	11d		
12	Other assets (attach schedule)	12	19,931	. 14,164.
	•			1
13	Total assets	13	13,022,510	.11,362,739.
	Liabilities and Stockholders' Equity			
	Medition firm and and a i			
14	Accounts payable	14	662,212	
15	Other current liabilities (attach schedule)	15	3,505,966	. 924,225.
16	Loans from stockholders and other related persons	16	100 105	270 202
17	Other liabilities (attach schedule)	17	183,195	. 379,282.
18	Capital stock:			
а		18a		2 001 705
b		18b	4,183,152	3,921,705.
19	Paid-in or capital surplus (attach reconciliation)	19	4 407 005	U.
20	Retained earnings	20	4,487,985	. 5,751,327.
	Less cost of treasury stock	21	(	) (
21	Less cost of Beasury Stock.			
21	Total liabilities and stockholders' equity			.11,362,739.

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	9/03/2002 W. R. GRACE & CO. & SUBSIDIARIES  GRACE KOREA INC.  GRACE KOREA INC.		65-0773649		Pa	ige 4
	edule G Other Information					
24	edule a Other Information	· · · · · · · · · · · · · · · · · · ·			Yes	No
1	During the tax year, did the foreign corporation own at least a 10% in	terest, directly or indire	ectly, in a foreign			_
•	partnership?					x
	If "Yes," see the instructions for required attachment.				_	
2	During the tax year, did the foreign corporation own an interest in any	/ trust?			[ ]	x
3	During the tax year, did the foreign corporation own any foreign entiti	es that were disregard	led as entities separate		_	_
•	from their owners under Regulations sections 301.7701-2 and 301.77	701-37	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			<u>k</u>
	if "Yes," attach a statement listing the name, country under whose law	vs the entity was orgal	nized, and EIN (if any)			
	of each entity.		_			
CAI	edule H Current Earnings and Profits (See the instr	uctions.)				
	rtant: Enter the amounts on lines 1 through 5c in functional currency.					
<u>тро</u> 1	Current year net income or (loss) per foreign books of account			1	2,058,456,	772.
	Current year het income or (1055) per foreign books of abbount.					
_	Net adjustments made to line 1 to determine current		<u> </u>			
2	earnings and profits according to U.S. financial and tax	Net	Net			
	accounting standards (see instructions):	Additions	Subtractions			
a	Capital gains or losses					80.30
b	Depreciation and amortization			1		<b>8</b> 832
C	Deptetion	<u></u>		-		
d	Investment or incentive allowance					
6	Charges to statutory reserves		0.			
f	Inventory adjustments		<u> </u>	-		
g	Taxes	226,320,276.		-[		
h	Other (attach schedule)	3.	3.			
3	Total net additions			400	100	
4	Total net subtractions			4:5:20		engr
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	2,284,777	,048.
ь	DASTM gain or (loss) for foreign corporations that use DASTM (see i	nstructions)		5b		
C	Combine lines 5a and 5b	· · · · · · · · · · · · · · · · · · ·		5c	2,284,777	,048
þ	Current earnings and profits in U.S. dollars (line 5c translated at the	appropriate exchange	rate as defined in			
	section 989(b) and the related regulations) (see instructions)			<u>5d</u>	1,782	,126.
	Enter exchange rate used for line 5d ▶		0.00078			
Se	nedule   Summary of Shareholder's Income Fro	m Foreign Corpo	oration (See the instru	ctions.)	) T	
C				١.		
1	Subpart F income (line 40b, Worksheet A in the instructions)			1		
					]	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instru	actions)	· · · · · · · · · · · · · · · · · · ·	2		
3	Previously excluded subpart F income withdrawn from qualified inve	stments (line 6b, Worl	ksheet C in the	_		
	instructions)			3		
4	Previously excluded export trade income withdrawn from investment	t in export trade asset:	s (line 7b, Worksheet D		1	
-	in the instructions)			4		
				,		
5	Factoring income			5_		
•	radioning internet in the control of					
6	Total of lines 1 through 5. Enter here and on your income tax return.	See instructions		6		0
•	Total of allos 7 through of Estat horo and on your mount					
7	Dividends received (translated at spot rate on payment date under s	section 989(b)(1))		7		
1	Dividende incored framolated at ober late on ballinging and alless					
	Exchange gain or (loss) on a distribution of previously taxed income			8	1	
8	Evaluation of deep or deep and distribution of provincial tayon income			0	1	

## SCHEDULE J (Form 5471) (Rev. May 2001) Department of the Treasury Internal Revenue Service

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Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

Identifying number

W. R. GRACE & CO. & SUBSIDIARIES

65-0773649

Name of foreign corporation

1 5471J1

Important. Enter Und		(a) Post-1986 Undistributed	(b) Pre-1987 E&P Not Previously	(section	sly Taxed E&P (see it s 959(c)(1) and (2) b		(d) Total Section 964(a) E&P	
	nounts in functional irrency.	section 959(c)(3)   section 959(c)(3)   Investe		(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	(combine columns (a), (b), and (c))	
1	Balance at							
	beginning of year	5,322,466,900.	-8,121,836.				5,314,345,064.	
2a	Current year E&P	2,284,777,048.						
b	Current year							
	deficit in E&P							
3	Total current and							
	accumulated E&P							
	not previously taxed							
	(line 1 plus line 2a, minus line 2b)	7,607,243,948.	-8,121,836.					
4	Amounts included	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,				10 P	
•	under sec. 951(a) or reclassified under section 959(c) in current year							
5a	Actual distributions					•		
	or reclassifications							
	of previously taxed E&P							
h	Actual distributions		800138161744094004001100400					
_	of nonpreviously							
	taxed E&P							
6a	Balance of							
vu	previously taxed							
	E&P at end of year							
	(line 1 plus line 4,				_			
	minus line 5a)		100	0.	0.	0.		
D	Balance of E&P not							
	previously taxed at end of year (line 3							
	minus line 4, minus							
	line 5b)	7,607,243,948.	-8,121,836.					
7	Balance at end of							
	year. (Enter amount from line 6a / line 6b.							
	whichever is applic.)		-8,121,836.	0.	0.	0.	7,599,122,112	

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

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Schedule J (Form 5471) (Rev. 5-2001)

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SCHEDULE M (Form 5471) (Rev. May 2001)

Department of the Treasury

Internal Revenue Service

4

47.

# Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

W. R. GRACE & CO. & SUBSIDIARIES

Identifying number 65-0773649

Name of foreign corporation GRACE KOREA INC.

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule Won 0.0007800 (e) 10% or more U.S. chareholder of controlled foreign corporation (other than the U.S. person filing this return) (f) 10% or more U.S. shareholder of any (C) Any domestic corporation or (d) Any other foreign corporation or partnership controlled (a) Transactions (b) U.S. person filing this return partnership controlled by U.S. person filing this return corporation controlling the of foreign corporation by U.S. person filing this return foreign corporation Sales of stock in trade 961,704. (inventory)...... 2 Sales of property rights (patents, trademarks, etc.). . . . . 3 Compensation received for technical, managerial. engineering, construction, or 111,345. like services..... 4 Commissions received . . . . . . 5 Rents, royalties, and license fees received....... 6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . . . 7 Interest received ..... 8 Premiums received for insurance or reinsurance..... 0 111,345. 961,704. 0. Ο. 9 Add lines 1 through 8 . . . . . . . 10 Purchases of stock in trade 4,155,460. 3,832,130. (inventory)......... 11 Purchases of tangible property other than stock in trade . . . . . 12 Purchases of property rights (patents, trademarks, etc.).... 13 Compensation paid for technical, managerial, engineering, construction, or 123,846. 90,962. 14 Commissions paid..... 15 Rents, royalties, and license 14,402 fees paid..... 16 Dividends paid ..... 3,923,092. 0. 0. 0. 4,293,708. **18** Add lines 10 through 17 . . . . . 19 Amounts borrowed (enter the maximum loan balance during the year) -- see instructions . . . 20 Amounts loaned (enter the maximum loan balance during the year) -- see instructions . .

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

Statement 1 65-0773649

000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC.

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Income

Description	Functional Currency	U.S. Dollars
OPERATING REVENUE OTHER INCOME	7,262,060 -104,672,090	5,664 -81,644
Total	-97,410,030	-75,980

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Statement 2 65-0773649

000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC.

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Deductions

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Description	Functional Currency	U.S. Dollars
PROFESSIONAL, CORPORATION CHARITABLE DEDUCTIONS ADVERTISING GENERAL STATIONARY AND SU TELEPHONE COMMUNICATIONS OPERATING COSTS UTILITIES REPAIRS AND MAINTENANCE INSURANCE SERVICE CHARGES AMORTIZATION CHARGES OTHER DEDUCTIONS INTER CORP OTHER EXP. EXPENSE TRANSFERS	90,045,246 1,200,000 57,567,616 31,115,104 535,554,799 85,375,724 13,745,197 22,702,965 20,007,160 88,056,179 82,633,069 3,250,169 158,685,571	70,235 936 44,903 24,270 417,733 66,593 10,721 17,708 15,606 68,684 64,454 2,535 123,775
Total	1,189,938,800	928,153

Statement 3 65-0773649

000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC.

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 4 -- Other Current Assets

Detail Description	Beginning	Ending
OTHER PREPAYMENTS AND OTH CURRENT DEFERRED TAXES	26,376 73,994	22,463 116,465
Total	100,370	138,928

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000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC. Statement 4 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 7.-- Other Investments

Detail Description	Beginning	Ending
MISCELLANEOUS INVESTMENTS	551,762	430,313
Total	551,762	430,313

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000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC. Statement 5 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 12 -- Other Assets

Detail Description	Beginning	Ending
DEFERRED CHARGES NON CURRENT DEFERRED TAXE	11,790 8,141	14,164
Total	19,931	14,164

000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC. Statement 6 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 15 -- Other Current Liabilities

Detail Description	Beginning	Ending
ACCEPTANCE PAYABLE INCOME TAXES PAYABLE ACCRUED CURRENT LIABILITI OTHER CURRENT LIABILITIES INDEMNITIES, PENSIONS AND INTER CORPORATE BAL. WITH	290,278 359,925 389,636 83,264 -43,986 2,426,849	264,377 354,936 213,523 78,060 -155,078 168,407
Total	3,505,966	924,225

000776 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES GRACE KOREA INC. Statement 7 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 17 -- Other Liabilities

Detail Description	Beginning	Ending
NON CURRENT DEFERRED TAX	183,195	379,282
Total	183,195	379,282

000774 09/03/2002

Form **5471** 

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

➤ See separate instructions.

(Rev. May 2001)

Information furnished for the foreign corporation's annual accounting period (tax year required by

File in Duplicate (see When and Where To File in the

OMB No. 1545-0704

Department of the Treasury Internal Revenue Service Service	ection 898) (se	e instructions) be	eginning 01/01	, 20 01	, and ending	12/31 ,2	001	instructions	<u>)</u>
Name of person filing this re				A Iden	tifying numbe	r			
W. R. GRACE & CO. & SUE				65-0773649  B Category of filer (See instructions. Check applicable box(es)):					
Number, street, & room or suite n		. if mail is not delive	red to street address	s) B Cate	gory of filer (Se	e instructions	3. Check	applicable	box(es)):
5400 BROKEN SOUND BLVD.				1   2   3   4  X   5  X					
City or town, state, and ZIP			<del></del>	C Enter the total percentage of the foreign corporation's voting stock					
BOCA RATON, FL 33487				you owned at the end of its annual accounting period 100 %					
Filer's tax year beginning 01/	01	,2001	, and ending 12/3	31	,2001				
D Person(s) on whose be		nation return is fil	ed:						
					(3) Identifi	ing number	(4) Chec Share- holder	ck applicabl	
(1) Name			(2) Address		(3) (36) (4)	(o) (dones) and (constant		Officer	Director
									ļ
				-					<u> </u>
								<u> </u>	
							<u> </u>		
Important: Fill in all application	cable lines and ise indicated.	schedules. All in	nformation must	be in the Engli	sh language. A				
1a Name and address of	· · · · · · · · · · · · · · · · · · ·	ation				<b>b</b> Employ	ar identif	ication num	ber, if any
W.R. GRACE (MALAYSI						<u></u>			
7 LORONG 1, JALAN S		HERAS JAYA				C Country	ander who	se laws incorp	orated
SELANGOR DARUL EHSA						MALAYS			
d Date of incorporation		place of busn.	Principal bu		g Principal b	usin <b>ess activ</b> i	ty hi Fu	inctional cu	rrency
-	1		code	number	OTHER CHEM	CAL			
3/23/73	MAL	AYSIA	325900		PRODUCT MF	3	Mala	aysia Ring	git
2 Provide the following i	nformation for 1	the foreign corpo	oration's accounti	ng period state	ed above.				
a Name, address, and ic	lentifying numb	per of branch off	ice or agent	b if a U.S. ii	ncome tax retur	n was filed, p	lease sh	iow:	
(if any) in the United S				(ii) U.S. income tax (i) Taxable income or (loss) (after all credits					
( <b>)</b> /				(1) Taxas	(i) Taxable income or (loss) (after all cr		ter all credit	S)	
					<u></u>				
C Name and address of	foreign corpora	ation's statutory	or resident	d Name and	d address (inclu	iding corpora	ite depar	rtment, if ap	plicable) o
agent in country of inc				person (or persons) with custody of books & records of the foreign corporation, and the location of such books and records, if different					
				Corporation	m, and the look	20011 01 02011		,	
CORPORATE HOUSE SVO	. SDN.BHD.			TEE AH HE					
288 JALAN RAJA LAU	•			7 LORONG 1, JALAN SATU, 43200 CHERAS JAYA					
50350 KUALA LUMPUR				SELANGOR I	DARUL EHSAN,	MALAYSIA			
Schedule A Stoo	k of the Fo	oreign Corpo	oration		<del>.</del>				
Part I ALL Class			<del></del>						
					(b) Number of	of shares issu			
(a) Des	cription of each	a class of stock		(1) Deg		End of ann			
				acc	ounting period		acc	ounting per	
COMMON				<u> </u>	1	0,000			10,000
				<u> </u>					<u> </u>
				<u></u>					
Part II Additiona	Informatio	n for Prefer	red Stock						
(To be comp	leted <b>only</b> by C	Category 1 filers 1	for foreign persor	nal holding cor	npanies)				
			· · · · · · · · · · · · · · · · · · ·	1	vetue in			(d) Indicat	
<ul> <li>(a) Description of each class of Preferred stock</li> <li>(Note: This description should match the corresponding</li> </ul>			l currency	(c) Rate of di	/idend	stock is cur			
description	on entered in P	art I, column (a).	.)	,0,,,500,10				noncun	MIAUVE
	· · ·	,							
<del></del>							Forr	n <b>5471</b> (R	ev. 5-2001

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000774 09/03/2002

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W. R. GRACE & CO. & SUBSIDIARIES

65-0773649

Form 5471 (Rev. 5-2001)

W.R. GRACE (MALAYSIA) SDN

Page 2 U.S. Shareholders of Foreign Corporation (See the instructions.) Schedule B (d) Number of shares held at end of annual accounting (C) Number of shares held at (e) Pro rata share of subpart F income (enter as a percentage) (b) Description of each class of stock held by shareholder (a) Name, address, and identifying number of shareholder (Note: This description should match the corresponding beginning of description entered in Schedule A, Part I, column (a).) accounting period period 10,000 10,000 COMMON \*W.R.GRACE & CO.-CONN 7500 GRACE DRIVE COLUMBIA, MD 21044 13-5114230 \*A WHOLLY OWNED SUBSIDIARY OF W. R. GRACE & CO. 100

income Statement (See the instructions.) Schedule C

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

	,	Columnia. See management for observations to as a second servation.			
				Functional Currency	U.S. Dollars
	19	Gross receipts or sales	1a	26,417,037.	6,952,436.
	h	Returns and allowances	1b	1,246,410.	328,030.
		Subtract line 1b from line 1a	1c	25,170,627.	6,624,406.
	2	Cost of goods sold	2	15,431,510.	4,061,265.
N	3	Gross profit (subtract line 2 from line 1c)	3	9,739,117.	2,563,141.
C	4	Dividends	4		
M	-	Interest	5	-89,680.	-23,602.
E	5	Gross rents, royalties, and license fees	6		***
1	6	Net gain or (loss) on sale of capital assets	7		
		Other income (attach schedule)	8	-12,918.	-3,400.
	8	Other income (attach schedule)	9	9,636,519.	2,536,139.
	9_	Total income (add lines 3 through 8)	10	1,222,285.	321,681.
_	10	Compensation not deducted elsewhere	11	1,204,855.	317,093.
F !	11	Rents, royalties, and license fees	12	2,200,000	
D	12	Interest	13	210,158.	55,309.
$\sim$ 1	13	Depreciation not deducted elsewhere	14		
T	14	Depletion	15		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	<u> </u>		
N	16	Other deductions (attach schedule exclude provision for income, war profits, and	16	1,680,112.	442,172.
S		excess profits taxes)	17		
	17	Total deductions (add lines 10 through 16)	100	4,317,410.	1,130,233.
	18	Net income or (loss) before extraordinary items, prior period adjustments, and the			
_ i		provision for income, war profits, and excess profits taxes (subtract line 17			1 200 004
NN		from line 9)	18	5,319,109.	1,399,884.
NCO	19	Extraordinary items and prior period adjustments (see instructions)	19	1 270 277	443 655
TM	20	Provision for income, war profits, and excess profits taxes (see instructions)	20	1,678,982.	441,875.
E					
	21	Current year net income or (loss) per books (line 18 plus line 19 minus line 20)	21	3,640,127.	958,009.

W.R. GRACE (MALAYSIA) SDN

65-0773649

Page 3 Form 5471 (Rev. 5-2001) Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.) Schedule E Amount of tax (d) (c) (b) (a) In U.S. dollars Conversion rate In foreign currency Name of country or U.S. possession U.S. 441,411. 0.2631590 1,677,354 MALAYSIA 3 4 5 6 7 441,411. 8 Total...

#### Schedule F **Balance Sheet**

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**(1)** 

**(** :

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

いいりょ	w corporations.	,		(h)
	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
4	Cash	1	733,486.	1,098,571.
2a	Trade notes and accounts receivable	2a	1,870,347.	1,879,972.
20 h	Less allowance for bad debts	2b	( 88,209.)	( -4,633 <u>.</u> )
3	Inventories	3	244,311.	304,996.
4	Other current assets (attach schedule)	4	6,478.	-416.
5	Loans to stockholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule)	7	52,343.	52,343.
	Buildings and other depreciable assets	8a	744,735.	756,627.
oa	Less accumulated depreciation	8b	( 426,959.)	( 471,446.)
O C	Depletable assets	9a		
98	Less accumulated depletion	9b	( )	( )
_	Land (net of any amortization)	10		
10				
11	Intangible assets: Goodwilt	11a		
8	Organization costs	11b		
D	Patents, trademarks, and other intangible assets	11c	······································	
C	Less accumulated amortization for lines 11a, b, and c	11d	( )	(
	Other assets (attach schedule)	12	147,329.	77,070.
12	Other assets (attach schedule)	<del></del>		
13	Total assets	13	3,283,861.	3,702,350.
	Liabilities and Stockholders' Equity			
	Mannings and Stockholders Ed			
14	Accounts payable	14	624,111.	
15	Other current liabilities (attach schedule)	15	1,860,593.	
16	Loans from stockholders and other related persons.	16	913,632.	
17	Other liabilities (attach schedule)	17	0.	0.
18	Capital stock:	İ		
	Preferred stock	18a		
h	Common stock	18b	2,632.	
19	Paid-in or capital surplus (attach reconciliation)	19		0.
20	Retained earnings	20	-117,107.	331,655.
21	Less cost of treasury stock	21	( )	(
	LOOD OUT OF BOUNDING FOR THE FOREST CONTRACTOR OF THE FOREST CONTRACTOR			
22	Total liabilities and stockholders' equity	22	3,283,861.	3,702,350.
=	1 54742 NTC 25688 Converget 2001 Greatland/Neico LP - Forms Software Only			

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09/03/2002W. R. GRACE & CO. & SUBSIDIARIES 000774 65-0773649 W.R. GRACE (MALAYSIA) SDN Page 4 Form 5471 (Rev. 5-2001) Other Information Schedule G No Yes During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in a foreign partnership?..... X If "Yes," see the instructions for required attachment. During the tax year, did the foreign corporation own an interest in any trust? ..... X During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701–2 and 301.7701–3?.... If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity. Current Earnings and Profits (See the instructions.) Schedule H important: Enter the amounts on lines 1 through 5c in functional currency. 3,640,127. Current year net income or (loss) per foreign books of account..... Net adjustments made to line 1 to determine current Net Net earnings and profits according to U.S. financial and tax Subtractions Additions accounting standards (see instructions): a Capital gains or losses..... Charges to statutory reserves..... Inventory adjustments ..... 1,628. Taxes.... - 0 . 1,628. 0. Total net subtractions..... 5a 3,641,755. 5b 5c 3,641,755. C Combine lines 5a and 5b..... d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in 958,437. 5d 0.2631800 Enter exchange rate used for line 5d 🕨 Summary of Shareholder's Income From Foreign Corporation (See the instructions, Schedule I Earnings invested in U.S. property (line 17, Worksheet B in the instructions)..... 2 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D 0. No 

09/03/2002 000774

#### SCHEDULE J (Form 5471)

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(Rev. May 2001)
Department of the Treasury
Internal Revenue Service

## Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

► Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

W. R. GRACE & CO. & SUBSIDIARIES

Identifying number 65-0773649

Important. Enter	(a) Post-1986 Undistributed	ndistributed Not Previously		(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			
amounts in functional currency.	Earnings (post-86 section 959(c)(3) balance)	Taxed (pre-87 section 959(c)(3) balance)	(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	964(a) E&P (combine columns (a), (b), and (c))	
Balance at     beginning of year	1,459,432.	-209,873.				1,249,559	
2a Current year E&P	3,641,755.						
b Current year deficit in E&P							
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a,	5,101,187.	-209,873.					
minus line 2b) 4 Amounts included under sec. 951(a) or reclassified under section 959(c) in current year		-203,073.					
5a Actual distributions or reclassifications of previously taxed E&P							
b Actual distributions of nonpreviously taxed E&P	1,934,838.						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)			0	. 0.	0.		
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)		-209,873.					
7 Balance at end of year. (Enter amount			0	. 0.	0.	2,956,476 orm <b>5471)</b> (Rev. 5-200	

For Paperwork Reduction Act Notice, see the instructions for Form 5471.

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000774 09/03/2002

# SCHEDULE M (Form 5471)

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(Rev. May 2001)
Department of the Treasury
Internal Revenue Service

# Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filling Form 5471

W. R. GRACE & CO. & SUBSIDIARIES

identifying number 65-0773649

Name of foreign corporation

W.R. GRACE (MALAYSIA) SDN

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency a  (a) Transactions of foreign corporation	(b) U.S. person filing this return	(C) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade					
(inventory)			49,468.		
2 Sales of property rights					
(patents, trademarks, etc.)					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received		<u> </u>			
5 Rents, royalties, and license					
fees received			·	<u> </u>	
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
7 Interest received					
8 Premiums received for	-				
insurance or reinsurance	,				
9 Add lines 1 through 8	0.	0.	49,468.	0.	<u> </u>
10 Purchases of stock in trade		100 000	EE7 120		
(inventory)		123,822.	557,139.		
11 Purchases of tangible property	İ	ļ			
other than stock in trade		<u> </u>		<del> </del>	
12 Purchases of property rights	ļ				
(patents, trademarks, etc.)				<u> </u>	
13 Compensation paid for technical, managerial, engineering, construction, or like services			155,277.	,	
14 Commissions paid				<u> </u>	
15 Rents, royalties, and license					
fees paid		163,770.			
•					
16 Dividends paid			509,230.		
17 Interest paid		23,600.		<u> </u>	
·					
<b>18</b> Add lines 10 through 17	0.	311,192.	1,221,646.	0.	0
19 Amounts borrowed (enter the					
maximum loan balance during					
the year) see instructions		933,694.		<u> </u>	<del> </del>
20 Amounts loaned (enter the					
maximum loan balance during					
the year) see instructions					

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

Statement 1 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Income

Description	Functional Currency	U.S. Dollars
OTHER INCOME	-12,918	-3,400
Total	-12,918	-3,400

Statement 2 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Deductions

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Description	Functional Currency	U.S. Dollars
PROFESSIONAL, CORPORATION CHARITABLE DEDUCTIONS ADVERTISING GENERAL STATIONARY AND SU TELEPHONE COMMUNICATIONS OPERATING COSTS UTILITIES REPAIRS AND MAINTENANCE INSURANCE SERVICE CHARGES EXPENSE TRANSFERS OTHER DEDUCTIONS INTER CORP OTHER EXP.	30,380 400 103,768 79,493 629,795 1,116,504 41,631 6,820 129,333 45,770 -9,998 -1,439,000 945,216	7,995 105 27,310 20,921 165,749 293,842 10,956 1,795 34,038 12,046 -2,631 -378,716 248,762
Total	1,680,112	442,172

Statement 3 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 4' -- Other Current Assets

Detail Description	Beginning	Ending
OTHER PREPAYMENTS AND OTH	6,478	-416
Total	6,478	-416
IOCAL	=======================================	&=&===================================

Statement 4 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 7 -- Other Investments

Detail Description	Beginning	Ending
MISCELLANEOUS INVESTMENTS	52,343	52,343
Total	52,343	52,343
1004-	_=============	=======================================

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Statement 5 65-0773649

Tax Year Ended 12/31/2001

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Form 5471 Page 3 Schedules

Schedule F, line 12 -- Other Assets

Detail Description	Beginning	Ending		
DEFERRED CHARGES	147,329	77,070		
Total	147,329	77,070		

Statement 6 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

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Schedule F, line 15 -- Other Current Liabilities

Detail Description	Beginning	Ending
ACCEPTANCE PAYABLE INCOME TAXES PAYABLE ACCRUED CURRENT LIABILITI INDEMNITIES, PENSIONS AND INTRA CORPORATE INTER CORPORATE BAL. WITH	92,718 14,916 611,865 544,483 -111 596,722	42,015 83,554 488,691 145,556 -111 1,203,527
Total	1,860,593	1,963,232

000778 09/03/2002

Form **5471** 

(Rev. May 2001)

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# Information Return of U.S. Persons With Respect To Certain Foreign Corporations > See separate instructions.

OMB No. 1545-0704

File in Duplicate (see When and

, ,	Information furni	shed for the forei	gn corporation's	annual accou	nting period (t	ax year requi	ed by	Where To i			
epartment of the Treasury Iternal Revenue Service	section 898) (se	e instructions) be	ginning 01/01	, 20 01	, and ending	12/31 ,	2001	instructions			
Name of person filing this return				A Identifying number							
R. GRACE & CO. & S	SUBSIDIARIES			65-0	773649 gory of filer (S	iti-n	o Chock	annlicable l	oox(es)):		
umber, street, & room or sui	te no. (or P.O. box no.	if mail is not dehver	ed to street address)	B Cate	gory of filer (S		2   3	1 4 X	5 x		
400 BROKEN SOUND BL	VD SUITE 300	)		<del></del>							
City or town, state, and ZIP code			G Enter	the total percent	age of the fore:	du corbora.	rind	100%			
OCA RATON, FL 33487					wned at the end	of its annual acc	OBIITING PO	100			
	01/01		and ending 12/31		,2001			<del></del>			
Person(s) on whose	behalf this inform	nation return is file	<u>:d:</u>		<del></del>		(4) Chec	ck applicabl	e box(es)		
(1) Name		(2) Address			(3) Identif	(3) Identifying number		Officer	Director		
(1).1.2	<del>-</del>						Share- holder				
				<del></del>			<u> </u>				
		<u> </u>			<del></del> -						
		<del> </del>									
Important: Fill in all ap				o in the Englis	sh language /	All amounts m	ust be st	ated in U.S	dollars		
important: Fill in all ap	plicable lines and	schedules. All in	omation must b	att na ciói	in language,				î		
	erwise indicated.	-tion	<u> </u>			<b>b</b> Employ	er identif	ication num	ber, if any		
1a Name and address		auon									
W.R. GRACE SPECIA Lot 114 Gebeng In		- PO Boy 30	Balak			C Country	under who	se laws incom	orated		
			202			MALAYS					
26080 Kuantan, P.  d Date of incorporation		place of busn.	f Principal bus	iness activity	g Principal	ousiness activ	mity hi Fu	unctional cu	rrency		
O Date of incorporation	, C ( miopa	piece et autom	code r		OTHER CHEM	II CAL					
12/12/91	MAT	MALAYSIA 325900			PRODUCT MI	PRODUCT MFG		Malaysia Ringgit			
2 Provide the following	ng information for	the foreign corpo	ration's accountin	g period state	ed above.						
a Name, address, an	d identifying num	ber of branch office	ce or agent	<b>b</b> If a U.S. ir	ncome tax retu	ırn was filed,	please sh	iow:			
(if any) in the Unite				(i) Taxable income or (loss) (ii) U.S. income (after all cre			income ta	x paid			
NONE							er all credits)				
210211											
							4- 4		nlicable) c		
C Name and address	of foreign corpor	ation's statutory	or resident	d Name and	d address (inc r persons) wit	luding corpor	rate depar hooks & r	riment, if ap records of th	ne foreian		
agent in country of				person (o	on, and the lo	ation of such	books a	nd records,	if different		
•					<b>200, ca</b> 100 and and						
				M S AWANG							
							-	···			
Schedule A S	tock of the F	oreign Corpo	ration		<u> </u>						
Part I — ALL Cla	sses of Stocl	<u> </u>			(h) Number	of shares iss	ued and	outstanding			
				(i) Beginning of annual			(ii) End of annual				
(a) (	Description of eac	h class of stock			counting of and			counting period			
			<del></del>			00,002			00,002		
ORDINARY SHARES						101,282					
PREFERENCE SHARES	<u> </u>			<del></del>		01,282					
			<del> </del>	<u> </u>				<u></u>			
				<u> </u>							
Part II — Additio	nal Information	on for Prefer	red Stock	al holding co	mpanies)						
	impleted only by							(d) Indica	te whether		
(a) Description of each class o (Note: This description should mate description entered in Part I		ass of Preferred stock			value in			vidend (d) Indicate wheth stock is cumulative noncumulative			
		match the corres	functions	al currency							
desci	ription entered in t	raiti, column (a)		<del> </del>		<del></del>					
				<del>                                     </del>							
				<del> </del>							
				<u> </u>		L	For	m <b>5471</b> (F	Rev. 5-200		

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W. R. GRACE & CO. & SUBSIDIARIES

W.R. GRACE SPECIALTY CHEM

65-0773649

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Page 2 Form 5471 (Rev. 5-2001) U.S. Shareholders of Foreign Corporation (See the instructions. Schedule B (C) Number of shares held at beginning of annual (d) Number of shares held at end of annual accounting (e) Pro rata share of subpart F income (enter as a percentage) (b) Description of each class of stock held by shareholder (a) Name, address, and identifying number of shareholder (Note: This description should match the corresponding description entered in Schedule A, Part I, column (a).) accounting period bened 000,0025, 000,002 ORDINARY SHARES \*W.R.GRACE &CO.-CONN 101,282 PREFERENCE SHARES 101,282 7500 GRACE DRIVE COLUMBIA, MD 21044 13-5114230 \*A WHOLLY OWNED DOMESTIC SUBSIDIARY OF W.R. GRACE & CO.

Schedule C Income Statement (See the instructions.)

important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Column. See instructions for operation for operation for operation for operations		Functional Currency	U.S. Dollars
	10	Gross receipts or sales	1a	65,216,236.	17,163,609.
	ia k	Returns and allowances	1b		
		Subtract line 1b from line 1a	1c	65,216,236.	17,163,609.
	2	Cost of goods sold	2	31,305,762.	8,239,050.
N	3	Gross profit (subtract line 2 from line 1c)	3	33,910,474.	8,924,559.
C	3	Dividends	4		
M	5	Interest	5	1,195,288.	314,576.
E	6	Gross rents, royalties, and license fees	6		
	7	Net gain or (loss) on sale of capital assets	7		
	•	Other income (attach schedule)	8	369,158.	97,155.
1	8 9	Total income (add lines 3 through 8)	9	35,474,920.	
		Compensation not deducted elsewhere	10	5,614,172.	
	10	Rents, royalties, and license fees	11	1,394,048.	
E	11	Interest	12		
· •	12	Depreciation not deducted elsewhere	13	8,734,241.	2,298,678.
~ I	13	Depletion	14		
T	14	Taxes (exclude provision for income, war profits, and excess profits taxes)	15	8,661.	2,279.
اخا	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	- <del>-</del>	0,00=1	
Ň	16	Other deductions (attach schedule exclude provision for income, war profits, and	16	3,338,861.	878,722.
S		excess profits taxes)	17	19,089,983.	
	<u>17</u>	Total deductions (add lines 10 through 16)	21223	13,003,303.	
İ	18	Net income or (loss) before extraordinary items, prior period adjustments, and the			
1		provision for income, war profits, and excess profits taxes (subtract line 17	18	16,384,937.	4,312,187.
N C C		from line 9)	19	10,304,337.	7,312,107.
ΕÖ	19	Extraordinary items and prior period adjustments (see instructions)		409,037.	107,651
'M	20	Provision for income, war profits, and excess profits taxes (see instructions)	20	409,037.	107,631
E			04	15 075 000	4,204,536
1	21	Current year net income or (loss) per books (line 18 plus line 19 minus line 20)	121	15,975,900.	4,204,336

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W. R. GRACE & CO. & SUBSIDIARIES

65-0773649

Page 3

W.R. GRACE SPECIALTY CHEM Form 5471 (Rev. 5-2001) Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.) Schedule E Amount of tax (d) (c) (b) (a) In U.S. dollars Conversion rate In foreign currency Name of country or U.S. possession U.S. 69,444. 0.2631600 263,885. MALAYSIA 3 4 5 6 69,444.

**Balance Sheet** Schedule F

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

DAST	M corporations.		(a)	(b)
	Assets		Beginning of annual accounting period	(b) End of annual accounting period
	Cash	1	9,318,244.	14,167,054.
1	Trade notes and accounts receivable.	2a	2,206,153.	2,753,468.
2a	Trade notes and accounts receivable	2b	( -97,373.)	( -114,567.)
	Less allowance for bad debts.	3	1,891,259.	2,367,343.
3	Inventories	4	67,024.	25,294.
4	Other current assets (attach schedule)	5		
5	Loans to stockholders and other related persons	6		
6	Investment in subsidiaries (attach schedule)	7	0.	0.
7	Other investments (attach schedule)	8a	28,680,749.	29,316,267.
8a	Buildings and other depreciable assets	8b	(7,630,575.)	
þ	Less accumulated depreciation	9a	<u> </u>	
9a	Depletable assets	9b	(	( )
b	Less accumulated depletion	10	1,210,162.	1,189,656.
10	Land (net of any amortization)	- <del>"</del>	<u> </u>	
11	Intendible assets:	11a		
а	Goodwill	11b		<del>                                     </del>
b	Ownerington costs	11c		<del> </del>
С	Potents trademarks, and other intangible assets	11d		)(
d	Loss accumulated amortization for lines 11a, b, and C	12	0.	<del></del>
12	Other assets (attach schedule)	12		<del></del>
	·	40	35,840,389	39,916,750.
13	Total assets	13	35,840,365	39,910,730
	Liabilities and Stockholders' Equity			
			005 003	1,008,490.
14	Accounts payable	14		
15	Other current liabilities (attach schedule) SEE . STATEMENT . A	15		121,003.
16	Leans from stockholders and other related persons			<del>                                     </del>
17	Other liabilities (attach schedule)	17	0	· <del>                                     </del>
10	Conital stacks	i		20.053
	Professed stack	18		
	Common etack	10		
	Paid-in or capital surplus (attach reconciliation)			
19	Retained earnings			. 10,818,006.
20	Less cost of treasury stock	21	(	) (
21	Less cost of treasury stock			
	Total liabilities and stockholders' equity	22	35,840,389	39,916,750.
<u>22</u>	Co Frame Coftware Only			
CAA	1 54713 NTF 35688 Copyright 2001 Greatland/Nelco LP - Forms 301(wait 5 my			

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65-0773649

	471 (Rev. 5-2001)  edule G Other Information					
			,		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% in	terest, directly or indire	ctly, in a toreign		П	x
-	partnership?					(£1
	f "Yes," see the instructions for required attachment.	u truct?			П	[X
2 !	During the tax year, did the foreign corporation own an interest in an During the tax year, did the foreign corporation own any foreign entit	y uustrdisreaarde	ed as entities separate		_	_
3	During the tax year, did the foreign corporation own any loleign end from their owners under Regulations sections 301.7701–2 and 301.7	701-37				2
	from their owners under Regulations sections 3017701-2 and 3017 If "Yes," attach a statement listing the name, country under whose la	ws the entity was organ	ized, and EIN (if any)		_	
	of each entity.					
	eduie H Current Earnings and Profits (See the inst	ructions.)				
***	tant: Enter the amounts on lines 1 through 5c in functional currency.			<del>,</del>		
1	Current year net income or (loss) per foreign books of account			1	15,975,9	)OO
•	oundity your net meeting at the control of the cont					
2	Net adjustments made to line 1 to determine current	Net	Net			
	earnings and profits according to U.S. financial and tax	Net Additions	Subtractions			
	accounting standards (see instructions):					
a	Capital gains or losses			-		
b	Depreciation and amortization	<del></del>				
C	Depletion					
d	Investment or incentive allowance	<u> </u>		-		
0	Charges to statutory reserves	····		-		
f	Inventory adjustments	245 350				
g	Taxes	145,152.		-		
h	Other (attach schedule)	0.		-		
3	Total net additions		4.	4		
4	Total net subtractions			5a	16,121,0	048
5 <b>a</b>	Current earnings and profits (line 1 plus line 3 minus line 4)	instructional		5b		
þ	DASTM gain or (loss) for foreign corporations that use DASTM (see	instructions)		5c	16,121,0	048
C	Combine lines 5a and 5b	annranriate evchance	rate as defined in	1		
đ	Current earnings and profits in U.S. dollars (line 5c translated at the section 989(b) and the related regulations) (see instructions)	appropriate eventride	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5d	4,242,	737
	section 989(b) and the related regulations) (see instructions)		0.26318	00		
GREEKS	Enter exchange rate used for line 5d  secure (Summary of Shareholder's Income Front Income Front Income Front Income Front Income Front Income Front Income Front Income Front Income Front Income Front Income Front Income	om Foreign Corpo	ration (See the instru	ctions.	)	
SC	BOURE !:					
	Subpart F income (line 40b, Worksheet A in the instructions)			1		•
•	Suppart F income (inte 400, Workshoot A in the income					
2	Earnings invested in U.S. property (fine 17, Worksheet B in the inst	ructions)		2		
3	Previously excluded subpart F income withdrawn from qualified inv	estments (line 6b, Worl	sheet C in the			
J	instructions)		<i></i>	3	<u></u>	
4	Previously excluded export trade income withdrawn from investmen	nt in export trade assets	S (line 7b, Worksneet D		ļ	
•	in the instructions)			4	<u> </u>	
				- 1		
5	Factoring income			5		
•				- 1		,
6	Total of lines 1 through 5. Enter here and on your income tax return	n. See instructions		6		(
_						
7	Dividends received (translated at spot rate on payment date under	section 989(b)(1))	,	7	<del>                                     </del>	
8	Exchange gain or (loss) on a distribution of previously taxed incom	ie		. 8	<u> </u>	es i

if the answer to either question is "Yes," attach an explanation.